



# NORTH CAROLINA

## Department of the Secretary of State

To all whom these presents shall come, Greetings:

I, Elaine F. Marshall, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

### ARTICLES OF ORGANIZATION

OF

DUKE ENERGY PROGRESS, LLC

the original of which was filed in this office on the 31st day of July, 2015.



Scan to verify online.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 31st day of July, 2015.

*Elaine F. Marshall*

Secretary of State

SOSID: 002JH6H  
 Date Filed: 7/31/2015 2:05:00 PM  
 Effective: 8/1/2015  
 Elaine F. Marshall  
 North Carolina Secretary of State  
 C2015 212 00244

*State of North Carolina*  
*Department of the Secretary of State*

**ARTICLES OF ORGANIZATION  
 INCLUDING ARTICLES OF CONVERSION**

Pursuant to §§ 57D-2-21, 57D-9-20 and 57D-9-22 of the General Statutes of North Carolina, the undersigned converting business entity does hereby submit these Articles of Organization Including Articles of Conversion for the purpose of forming a limited liability company pursuant to the conversion of another eligible entity.

1. The name of the limited liability company is: Duke Energy Progress, LLC.  
 The limited liability company is being formed pursuant to a conversion of another business entity.  
 (See Item 1 of the Instructions for appropriate entity designation)
2. The name of the converting business entity is: Duke Energy Progress, Inc.  
 and the organization and internal affairs of the converting business entity are governed by the laws of the  
 state or country of North Carolina.

A plan of conversion has been approved by the converting business entity as required by law.

3. The converting business entity is a (check one): ☒ domestic corporation; ☐ foreign corporation;  
☒ foreign limited liability company; ☐ domestic limited partnership;  
☒ foreign limited partnership; ☐ domestic registered limited liability partnership;  
☒ foreign limited liability partnership; ☐ professional corporation; or ☐ other partnership as defined in  
 G.S. 59-36, whether or not formed under the laws of North Carolina.

4. The mailing address of the converting entity prior to the conversion is:

Number and Street: 410 South Wilmington Street

City: Raleigh State: NC Zip Code: 27601 County: Wake

If different, the mailing address of the resulting business entity is:

Number and Street: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ County: \_\_\_\_\_

5. The name and address of each person executing these articles of organization is as follows: (State whether each person is executing these articles of organization in the capacity of a member, organizer or both. Note: This document must be signed by all persons listed.)

Nancy M. Wright, Assistant Secretary - Organizer

550 South Tryon Street (DEC45A)

Charlotte, NC 28202

CORPORATIONS DIVISION  
 (Revised January 2014)

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 (Form L-01A)

6. The name of the initial registered agent is: C F Corporation System
7. The street address and county of the initial registered office of the limited liability company is:  
 Number and Street: 150 Fayetteville Street, Box 1011  
 City: Raleigh State: NC Zip Code: 27601 County: Wake
8. The North Carolina mailing address, *if different from the street address*, of the initial registered office is:  
 Number and Street: \_\_\_\_\_  
 City: \_\_\_\_\_ State: NC Zip Code: \_\_\_\_\_ County: \_\_\_\_\_
9. Principal Office Information: *Select either a or b*
- a. ☒ The limited liability company has a principal office.  
 The principal office telephone number: (919) 548-6111  
 The street address and county of the principal office of the limited liability company is:  
 Number and Street: 410 South Wilmington Street  
 City: Raleigh State: NC Zip Code: 27601 County: Wake  
 The mailing address, *if different from the street address*, of the principal office of the limited liability company is:  
 Number and Street: 550 South Tryon Street (DEC45A)  
 City: Charlotte State: NC Zip Code: 28202 County: Mecklenburg
- b. ☐ The limited liability company does not have a principal office.
10. Any other provisions which the limited liability company elects to include (e.g., the purpose of the entity) are attached.
11. (Optional): Please provide a business e-mail address: nancy.wright@duke-energy.com  
 The Secretary of State's Office will e-mail the business automatically at the address provided at no charge when a document is filed. The e-mail provided will not be viewable on the website. For more information on why this service is being offered, please see the instructions for this document.

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 (Form 1-01.4)

12. These articles will be effective upon filing, unless a future date is specified: 08/01/2015

This is the 31 day of July, 2015.

\_\_\_\_\_  
(Optional: Business Entity Name)  
Nancy M Wright  
\_\_\_\_\_  
Signature  
Nancy M. Wright, Assistant Secretary (Organizer)  
\_\_\_\_\_  
Type or Print Name and Title

The below space to be used if more than one organizer or member is listed in Item #5 above.

\_\_\_\_\_  
(Optional: Business Entity Name)  
\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Type or Print Name and Title

\_\_\_\_\_  
(Optional: Business Entity Name)  
\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Type or Print Name and Title

\_\_\_\_\_  
(Optional: Business Entity Name)  
\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Type or Print Name and Title

\_\_\_\_\_  
(Optional: Business Entity Name)  
\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Type or Print Name and Title

NOTES:  
1. Filing fee is \$25. This document must be filed with the Secretary of State.  
CORPORATIONS DIVISION  
(Revised January 2014)

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RALEIGH, NC 27626-0622  
(Form I-01A)

**DUKE ENERGY PROGRESS**  
**UNCONSOLIDATED BALANCE SHEET**  
**March 31, 2019**

Title of Account (a)	2019 March	Proforma Adjustments		Proforma
<b>UTILITY PLANT</b>				
Utility Plant (101-106,114)	31,279,322,553			\$ 31,279,322,553
Construction Work in Progress (107)	1,758,386,612	2,072,944,284	(A)	\$ 3,831,330,896
Total Utility Plant	33,037,709,165	2,072,944,284		\$ 35,110,653,449
(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	12,476,689,367			\$ 12,476,689,367
Net Utility and Plant	20,561,019,799	2,072,944,284		\$ 22,633,964,083
Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab (120.1)	262,795,720			\$ 262,795,720
Nuclear Materials and Assemblies - Stock Account (120.2)				\$ -
Nuclear Fuel Assemblies in Reactor (120.3)	794,509,091			\$ 794,509,091
Spent Nuclear Fuel (120.4)	519,937,174			\$ 519,937,174
(Less) Accum. Provision for Amort. of Nuclear Fuel Assemblies (120.5)	903,630,424			\$ 903,630,424
Net Nuclear Fuel	673,611,561			\$ 673,611,561
<b>Total Net Utility Plant</b>	<b>21,234,631,360</b>	<b>2,072,944,284</b>		<b>\$ 23,307,575,644</b>
Utility Plant Adjustments (116)				\$ -
Gas Stored Underground - Noncurrent (117)				\$ -
<b>OTHER PROPERTY &amp; INVESTMENTS</b>				
Non Utility Property (121)	37,037,412			\$ 37,037,412
(Less) Accum. Prov. for Depr. and Amort. (122)	15,641,183			\$ 15,641,183
Investment in Subsidiary Companies (123.1)	16,545,619			\$ 16,545,619
Noncurrent Portion of Allowances				\$ -
Other Investments (124)	42,277,926			\$ 42,277,926
Other Special Funds (128)	3,020,144,895			\$ 3,020,144,895
Long Term Portion of Derivative Instrument Assets (175)				\$ -
Long Term Portion of Derivative Assets - Hedges (176)	1,039,657			\$ 1,039,657
<b>Total Other Property and Investments</b>	<b>3,101,404,325</b>			<b>\$ 3,101,404,325</b>
<b>CURRENT AND ACCRUED ASSETS</b>				
Cash (131)	3,900,356			\$ 3,900,356
Special Deposits (132-134)				\$ -
Working Funds (135)				\$ -
Temporary Cash Investments (136)				\$ -
Notes Receivable (141)				\$ -
Customer Accounts Receivable (142)	408,148,033			\$ 408,148,033
Other Accounts Receivable (143)	35,813,615			\$ 35,813,615
(Less) Accum. Prov. for Uncollectible Account - Credit (144)	7,244,655			\$ 7,244,655
Note Receivable from Associated Companies (145)	38,403,000			\$ 38,403,000
Accounts Receivable from Associated Companies (146)	95,799,610			\$ 95,799,610
Fuel Stock (151)	239,142,089			\$ 239,142,089
Plant Material and Operating Supplies (154)	685,268,724			\$ 685,268,724
Merchandise (155)				\$ -
Other Materials and Supplies (156)	173,823			\$ 173,823
Allowances (158.1 and 158.2)	130,758,153			\$ 130,758,153
(Less) Non-current portion of Allowances				\$ -
Store Expenses Undistributed (163)	34,845,376			\$ 34,845,376
Gas Stored Underground - Current (164.1)				\$ -
Prepayments (165)	105,431,286			\$ 105,431,286
Interest and Dividends Receivable (171)				\$ -
Rents Receivable (172)	330,216			\$ 330,216
Accrued Utility Revenue (173)	100,148,501			\$ 100,148,501
Miscellaneous Current and Accrued Assets (174)	2,518,355			\$ 2,518,355
Derivative Instrument Assets (175)				\$ -
(Less) Long Term Portion of Derivative Instruments Assets				\$ -

Derivative Instrument Assets Hedges (176)	4,946,649		\$ 4,946,649
(Less) Long Term Portion of Derivative Instruments Assets - Hedges	1,039,657		\$ 1,039,657
<b>Total Current and Accrued Assets</b>	<b>1,877,343,472</b>		<b>\$ 1,877,343,472</b>
<b>DEFERRED DEBITS</b>			
Unamortized Debt Expenses (181)	46,289,598		\$ 46,289,598
Extraordinary Property Losses (182.1)			\$ -
Unrecovered Plant and Regulatory Study Costs (182.2)	146,912,750		\$ 146,912,750
Other Regulatory Assets (182.3)	4,215,766,811		\$ 4,215,766,811
Preliminary Survey and Investigation Charges (183)	7,893,457		\$ 7,893,457
Clearing Accounts (184)	5,470,127		\$ 5,470,127
Temporary Facilities (185)			\$ -
Miscellaneous Deferred Debits (186)	470,663,841		\$ 470,663,841
Unamortized Loss on Reaquired Debt (189)	4,321,611		\$ 4,321,611
Accumulated Deferred Income Taxes (190)	2,231,968,872		\$ 2,231,968,872
Unrecovered Purchased Gas Costs (191)			\$ -
Total Deferred Debits	7,129,287,066		\$ 7,129,287,066
<b>Total Assets</b>	<b>33,342,666,225</b>	<b>2,072,944,284</b>	<b>\$ 35,415,610,509</b>

#### Notes

(A) Balance of debt issuance proceeds will be used to retire scheduled maturities of long-term debt in 2019, 2020, 2021, and 2022 and to fund construction work-in-progress.

Detail amounts may not add to totals shown due to rounding.

**DUKE ENERGY PROGRESS**  
**UNCONSOLIDATED BALANCE SHEET**  
**March 31, 2019**

Title of Account (a)	2019 March	Proforma Adjustments		Proforma
<b>PROPRIETARY CAPITAL</b>				
Common Stock Issued (201)				\$ -
Preferred Stock Issued (204)				\$ -
Premium on Capital Stock (207)				\$ -
Other Paid In Capital (208-211)	2,784,376,572			\$ 2,784,376,572
(Less) Capital Stock Expense (214)				\$ -
Retained Earnings (215, 215.1, 216)	6,135,859,952			\$ 6,135,859,952
Unappropriated Undistributed Subsidiary Earnings (216.1)	(277,197,059)			\$ (277,197,059)
Reacquired Capital Stock (217)				\$ -
Accumulated Other Comprehensive Income (219)	(192,403)			\$ (192,403)
<b>Total Proprietary Capital</b>	<b>8,642,847,062</b>			<b>\$ 8,642,847,062</b>
<b>LONG-TERM DEBT</b>				
Bonds (221)	7,623,485,000	2,100,000,000	(A)	\$ 9,723,485,000
Advances from Associated Companies (223)	150,000,000			\$ 150,000,000
Other Long Term Debt (224)	1,025,000,000			\$ 1,025,000,000
Unamortized Premium on LT Debt (225)				\$ -
(Less) Unamortized Discount on LT Debt (226)	17,506,674			\$ 17,506,674
<b>Total Long Term Debt</b>	<b>8,780,978,326</b>	<b>2,100,000,000</b>		<b>\$ 10,880,978,326</b>
<b>OTHER NONCURRENT LIABILITIES</b>				
Obligations Under Capital Leases (227)	665,970,000	(21,557,199)	(A) (B)	\$ 644,412,801
Accumulated Provision for Property Insurance (228.1)				\$ -
Accumulated Provision for Injuries and Damages (228.2)	8,873,107			\$ 8,873,107
Accumulated Provision for Pensions and Benefits (228.3)	222,067,134			\$ 222,067,134
Accumulated Miscellaneous Operating Provisions (228.4)	17,619,717			\$ 17,619,717
Accumulated Provision for Rate Refund (229)	128,984,028			\$ 128,984,028
LT Portion of Derivative Instrument Liabilities	2,492,514			\$ 2,492,514
LT Portion of Derivative Instrument Liabilities - Hedges	1,558,938			\$ 1,558,938
Asset Retirement Obligations (230)	5,923,223,739			\$ 5,923,223,739
<b>Total Other NonCurrent Liabilities</b>	<b>6,970,789,177</b>	<b>(21,557,199)</b>		<b>\$ 6,949,231,978</b>
<b>CURRENT AND ACCRUED LIABILITIES</b>				
Notes Payable (231)				\$ -
Accounts Payable (232)	415,138,078			\$ 415,138,078
Notes Payable to Associated Companies (233)				\$ -
Accounts Payable to Associated Companies (234)	214,291,768			\$ 214,291,768
Customer Deposits (235)	140,287,051			\$ 140,287,051
Consolidated Taxes Accrued	53,740,851			\$ 53,740,851
Interest Accrued (237)	88,445,400			\$ 88,445,400
Dividends Declared (238)				\$ -
Tax Collections Payable (241)	6,790,452			\$ 6,790,452
Miscellaneous Current and Accrued Liabilities (242)	146,901,432			\$ 146,901,432
Obligations Under Capital Leases - Current (243)	32,497,321	(5,498,517)	(A) (B)	\$ 26,998,804
Derivative Instrument Liabilities (244)	5,131,111			\$ 5,131,111
(Less) LT Portion of Derivative Instrument Liabilities	2,492,514			\$ 2,492,514
Derivative Instrument Liabilities - Hedges (245)	2,741,186			\$ 2,741,186
(Less) LT Portion of Derivative Instrument Liabilities - Hedges	1,558,938			\$ 1,558,938
<b>Total Current and Accrued Liabilities</b>	<b>1,101,913,197</b>	<b>(5,498,517)</b>		<b>\$ 1,096,414,680</b>
<b>DEFERRED CREDITS</b>				
Customer Advances for Construction (252)	23,019,497			\$ 23,019,497
Accumulated Deferred Investment Tax Credits (255)	141,351,642			\$ 141,351,642
Other Deferred Credits (253)	17,688,940			\$ 17,688,940
Other Regulatory Liabilities (254)	3,260,007,502			\$ 3,260,007,502
Unamortized Gain on Reacquired Debt (257)				\$ -
Accumulated Deferred Income Taxes (281)				\$ -

Accumulated Deferred Income Taxes Oth Property (282)	3,067,749,821			\$ 3,067,749,821
Accum Deferred Income Tax Other (283)	1,336,321,059			\$ 1,336,321,059
Total Deferred Credits	7,846,138,461			\$ 7,846,138,461
<b>Total Liabilities and Other Credit</b>	<b>33,342,666,225</b>			<b>\$ 35,415,610,507</b>

#### Notes

(A) Balance of debt issuance proceeds will be used to retire scheduled maturities of long-term debt in 2019, 2020, 2021, and 2022 and to fund construction work-in-progress.

(B) In accordance with ASC 842 and FERC accounting guidance, Account 227 (Obligations Under Capital Leases- Noncurrent) and Account 243 (Obligations Under Capital Leases- Current) include both operating and capital leases

Detail amounts may not add to totals shown due to rounding.



**DUKE ENERGY PROGRESS**  
**UNCONSOLIDATED INCOME STATEMENT**  
**Twelve Months Ending December 31, 2018**

Title of Account (a)	
<b>UTILITY OPERATING INCOME</b>	
Operating Revenues (400)	5,682,421,296
<b>Operating Expenses</b>	
Operation Expenses (401)	2,842,529,953
Maintenance Expenses (402)	524,022,724
Depreciation Expenses (403)	746,423,281
Depreciation Expense for Asset Retirement Costs (403.1)	
Amortization and Depletion of Utility Plant (404-405)	42,090,299
Amortization of Utility Plant Acq. Adj. (406)	12,758,733
Amortization of Prop Loss, Unrecov Plant and Reg Strudy Cost (407)	29,040,562
Regulatory Debits (407.3)	365,010,904
(Less) Regulatory Credits	135,488,252
Taxes Other Than Income Taxes (408.1)	153,362,211
Income Taxes Federal (409.1)	(66,292,964)
Income Tax - Other (409.1)	(3,938,471)
Provision for Deferred Income Taxes	843,871,407
(Less) Provision for Deferred Income Tax Credit	623,018,430
Investment Tax Credit Adjustment Net (411.4)	(3,355,660)
Gains from Disposition Utility Plant (411.6)	
Losses from Disposition Utility Plant (411.7)	
(Less) Gains from Disposition of Allowances	165,404
Accretion Expense (411.10)	
<b>Total Utility Operating Expenses</b>	<b>4,726,850,893</b>
<b>Net Utility Operating Income</b>	<b>955,570,403</b>
<b>Other Income and Deductions</b>	
Revenues from Merchandising, Jobbing and Contract Work (415)	(86,843)
Costs and Exp. of Merchandising Job and Contract Work (416)	29,121
Revenues from Nonutility Operations (417)	33,624,376
Expenses of Nonutility Operations (417.1)	23,752,601
Non Operating Rental Income (418)	(633,026)
Equity in Earnings of Subsidiary Companies (418.1)	7,394,428
Interest and Dividend Income (419)	1,387,385
Allowance for Other Funds Under Construction (419.1)	56,812,523
Miscellaneous Nonoperating Income	9,121,726
Gain On Disposal Of Property	1,296,268
<b>Total Other Income</b>	<b>85,135,114</b>
<b>Other Income Deductions</b>	
Loss on Disposition of Property (421.2)	383,831
Miscellaneous Amortization (425)	0
Donations (426.1)	3,334,051

Life Insurance (426.2)	(1,642,235)
Penalties (426.3)	1,878,534
Exp. For Certain Civic, Political and Related Activity (426.4)	3,159,976
Other Deductions (426.5)	34,603,500
<b>Total Other Income Deductions</b>	<b>41,717,658</b>
<b>Taxes Applic. to Other Income and Deductions</b>	
Taxes Other than Income Taxes (408.2)	1,961,060
Income Taxes - Federal (409.2)	(5,144,014)
Income Tax Non Utility (409.2)	(645,223)
Provision for Deferred Income Taxes (410.2)	28,378,574
Provision for Deferred Income Tax Credit (411.2)	(9,796,689)
Investment Tax Credit Adjustments - Net (411.5)	
<b>Total Taxes on Other Income and Deductions</b>	<b>14,753,708</b>
<b>Net Other Income and Deductions</b>	<b>28,663,748</b>
<b>Interest Charges</b>	
Total Interest on Long - Term Debt (427)	316,675,115
Amortization of Debt Discount and Exp (428)	5,814,338
Amortization of Loss on Reacquired Debt (428.1)	1,030,335
Amortization on Premium of Debt-Credit (429)	
Interest on Debt to Associated Companies (430)	8,649,424
Other Interest Expense (431)	10,728,365
(Less) Allowance for Borrowed Funds Used During Construction - CR(432)	25,699,616
<b>Net Interest Charges</b>	<b>317,197,960</b>
<b>Net Income</b>	<b>667,036,191</b>

### Notes

This schedule represents the actual income statement for twelve months. No proforma  
Detail amounts may not add to totals shown due to rounding.

**DUKE ENERGY PROGRESS**  
**UNCONSOLIDATED INCOME STATEMENT**  
**Three Months Ending March 31, 2019**

Title of Account (a)	
<b>UTILITY OPERATING INCOME</b>	
Operating Revenues (400)	1,477,759,445
<b>Operating Expenses</b>	
Operation Expenses (401)	730,518,262
Maintenance Expenses (402)	97,715,255
Depreciation Expenses (403)	200,421,918
Depreciation Expense for Asset Retirement Costs (403.1)	-
Amortization and Depletion of Utility Plant (404-405)	12,103,628
Amortization of Utility Plant Acq. Adj. (406)	3,189,683
Amortization of Prop Loss, Unrecov Plant and Reg Strudy Cost (407)	7,113,536
Regulatory Debits (407.3)	109,306,739
(Less) Regulatory Credits	32,559,546
Taxes Other Than Income Taxes (408.1)	43,685,332
Income Taxes Federal (409.1)	10,679,397
Income Tax - Other (409.1)	1,269,285
Provision for Deferred Income Taxes	617,042,468
(Less) Provision for Deferred Income Tax Credit	584,798,379
Investment Tax Credit Adjustment Net (411.4)	(810,348)
(Less) Gains from Disposition Utility Plant	-
Losses from Disposition Utility Plant (411.7)	-
(Less) Gains from Disposition of Allowances	-
Accretion Expense (411.10)	-
<b>Total Utility Operating Expenses</b>	<b>1,214,877,231</b>
<b>Net Utility Operating Income</b>	<b>262,882,214</b>
<b>Other Income and Deductions</b>	
Revenues from Merchandising, Jobbing and Contract Work (415)	(9,962)
Costs and Exp. of Merchandising Job and Contract Work (416)	(882)
Revenues from Nonutility Operations (417)	7,990,443
Expenses of Nonutility Operations (417.1)	4,647,733
Non Operating Rental Income (418)	(162,639)
Equity in Earnings of Subsidiary Companies (418.1)	(18,663)
Interest and Dividend Income (419)	48,761
Allowance for Other Funds Under Construction (419.1)	14,451,736
Miscellaneous Nonoperating Income	1,689,898
Gain On Disposal Of Property	-
<b>Total Other Income</b>	<b>19,342,721</b>
<b>Other Income Deductions</b>	
Loss on Disposition of Property (421.2)	-
Miscellaneous Amortization (425)	-
Donations (426.1)	767,394

Life Insurance (426.2)	(250,885)
Penalties (426.3)	72,000
Exp. For Certain Civic, Political and Related Activity (426.4)	751,027
Other Deductions (426.5)	128,614
<b>Total Other Income Deductions</b>	<b>1,468,150</b>
<b>Taxes Applic. to Other Income and Deductions</b>	
Taxes Other than Income Taxes (408.2)	484,913
Income Taxes - Federal (409.2)	(764,870)
Income Tax Non Utility (409.2)	(97,582)
Provision for Deferred Income Taxes (410.2)	1,740,185
Provision for Deferred Income Tax Credit (411.2)	(100,196)
Investment Tax Credit Adjustments - Net (411.5)	-
Total Taxes on Other Income and Deductions	1,262,450
<b>Net Other Income and Deductions</b>	<b>16,612,122</b>
<b>Interest Charges</b>	
Total Interest on Long - Term Debt (427)	81,556,225
Amortization of Debt Discount and Exp (428)	907,491
Amortization of Loss on Reacquired Debt (428.1)	257,584
Amortization on Premium of Debt-Credit (429)	-
Interest on Debt to Associated Companies (430)	4,283,029
Other Interest Expense (431)	(2,554,374)
(Less) Allowance for Borrowed Funds Used During Construction - CR(432)	7,100,877
Net Interest Charges	<b>77,349,077</b>
<b>Net Income</b>	<b>202,145,259</b>

### Notes

This schedule represents the actual income statement for three months. No proforma  
Detail amounts may not add to totals shown due to rounding.

**DUKE ENERGY PROGRESS  
STATEMENT OF CASH FLOWS  
Three Months Ending March 31, 2019**

**Net Cash Flow from Operating Activities:**

Net Income	202,145,259
Noncash Charges (Credits) to Income:	
Depreciation and Depletion	200,421,918
Amortization and Accretion	81,018,054
Net (Increase) Decrease in Mark-to-Market and Hedging Transactions	(2,763,693)
Deferred Income Taxes (Net)	33,884,077
Investment Tax Credit Adjustment (Net)	(810,348)
Net (Increase) Decrease in Receivables	112,883,708
Net (Increase) Decrease in Inventory	(5,229,590)
Net (Increase) Decrease in Allowances Inventory	(7,916,282)
Net (Decrease) Increase in Payables and Accrued Expenses	(376,938,469)
Net (Increase) Decrease in Other Regulatory Assets	190,237,818
Net (Decrease) Increase in Other Regulatory Liabilities	(87,394,880)
(Less) Allowance for Other Funds Used During Construction	14,451,735
(Less) Undistributed Earnings from Subsidiary Companies	(18,663)
Other: Net	(84,710,586)
Accrued Pension and Other Post-Retirement Benefit Costs Adj to NI	315,552
Provision for Rate Refund	563,254

**Net Cash Provided by (Used in) Operating Activities****246,342,012****Cash Flows from Investment Activities:**

Construction and Acquisition of Plant (including land):	
Gross Additions to Utility Plant (less nuclear fuel)	(549,590,469)
Gross Additions to Nuclear Fuel	(15,109,024)
Gross Additions to Nonutility Plant	877,405
(Less) Allowance for Other Funds Used During Construction	(14,451,735)
Additions from Affiliated Companies	

**Cash Outflows for Plant****(549,370,353)**

Proceeds from Disposal of Noncurrent Assets (d)	
Investments in and Advances to Assoc. and Subsidiary Companies	(38,403,000)
Contributions and Advances from Assoc. and Subsidiary Companies	
Purchase of Investment Securities (a)	(314,511,315)
Proceeds from Sales of Investment Securities (a)	308,388,460
Other (provided details in footnote):	(20,020,996)

**Net Cash Provided by (Used in) Investing Activities****(613,917,204)****Cash Flows from Financing Activities**

Proceeds from Issuance of:

Long-Term Debt (b)	1,269,604,175
Cash Provided by Outside Sources (Total 61 thru 69)	1,269,604,175
Other Financing Activities	(1,129,084)
Payments for Retirement of:	
Long-term Debt (b)	(600,816,851)
Net Increase (Decrease) in Intercompany Notes	(293,651,000)
Dividends Paid to Parent	
	<hr/>
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>374,007,240</b>
	<hr/>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	6,432,048
<b>Cash and Cash Equivalents at Beginning of Period</b>	(2,531,694)
<b>Cash and Cash Equivalents at End of period</b>	<hr/> 3,900,354

## Notes

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**DUKE ENERGY PROGRESS**  
**STATEMENT OF CHANGES IN EQUITY**  
**Three Months Ending March 31, 2019**

BALANCE - December 31, 2018	\$ 5,927,348,283
Add - Net Income	202,145,259
(Less) - Equity in Earnings of Subsidiary Companies (418.1)	18,663
Balance Transferred from Income	202,163,922
Add - Cumulative Effect Acct Change Tax	10,727
Less - Dividends to Parent	0
BALANCE - March 31, 2019	<u>\$ 6,129,522,932</u>

FERC View

**DUKE ENERGY PROGRESS**  
**UNCONSOLIDATED STATEMENTS OF CAPITALIZATION**  
**Three Months Ending March 31, 2019**  
**(Dollars in Thousands)**

	March 31 2019	Percent of Total	Proforma	Proforma Amount	Percent of Total
<b>MEMBERS' EQUITY</b>					
Accumulated Other Comprehensive Income .....	\$ (192,403)			\$ (192,403)	
Member's Equity .....	8,643,039,465		(A)	8,643,039,465	
<b>Total members' equity .....</b>	<b>8,642,847,062</b>	<b>49.6</b>		<b>8,642,847,062</b>	<b>44.4</b>
<b>LONG-TERM DEBT (A)</b>					
	<u>Rate</u>	<u>Year Due</u>			
First mortgage bonds .....	2.227%	2020	300,000,000	(300,000,000) (B)	0
	8.625%	2021	100,000,000	(100,000,000) (B)	0
	3.000%	2021	500,000,000	(500,000,000) (B)	0
	2.800%	2022	500,000,000	(500,000,000) (B)	0
	3.375%	2023	300,000,000		300,000,000
	3.250%	2025	500,000,000		500,000,000
	3.700%	2028	500,000,000		500,000,000
	3.450%	2029	600,000,000		600,000,000
	6.125%	2033	200,000,000		200,000,000
	5.700%	2035	200,000,000		200,000,000
	6.300%	2038	325,000,000		325,000,000
	4.100%	2042	500,000,000		500,000,000
	4.100%	2043	500,000,000		500,000,000
	4.375%	2044	400,000,000		400,000,000
	4.150%	2044	500,000,000		500,000,000
	4.200%	2045	700,000,000		700,000,000
	3.700%	2046	450,000,000		450,000,000
	3.600%	2047	500,000,000		500,000,000
Tax Exempt Bonds, 2002 .....			48,485,000	3,500,000,000 (C)	3,500,000,000
					48,485,000
<b>Total mortgage and pollution control bonds .....</b>	<b>7,623,485,000</b>		<b>2,100,000,000 (B)</b>	<b>9,723,485,000</b>	
Other Debt .....	700,000,000			700,000,000	
Commercial Paper .....	150,000,000			150,000,000	
Unamortized debt discount and premium, net .....	(17,506,674)			(17,506,674)	
<b>Total unconsolidated long-term debt .....</b>	<b>832,493,326</b>		<b>-</b>	<b>832,493,326</b>	
Obligation under capital lease .....	310,595,073		(27,055,716) (B)	283,539,357	
<b>Total unconsolidated long-term debt and capital leases .....</b>	<b>8,766,573,399</b>	<b>50.4</b>	<b>2,072,944,284</b>	<b>10,839,517,683</b>	<b>55.6</b>
<b>TOTAL DE PROGRESS CAPITALIZATION .....</b>	<b>\$ 17,409,420,461</b>	<b>100.0</b>	<b>\$ 2,072,944,284</b>	<b>\$ 19,482,364,745</b>	<b>100.0</b>

**Notes**

(A) No proforma adjustments were calculated for Member's Equity (e.g. net income additions).

(B) Amounts reflect the maturity of long-term debt in 2019, 2020, 2021, and 2022.

(C) Represents the total amount of financing requested per this application.

Detail amounts may not add to totals shown due to rounding.

SEC View